



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**



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Commission for Regulation of Utilities

Enduring Connection Policy – 2.4 (ECP-2.4)

Decision Paper

ECP-2.4 Decision Paper

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CRU Mission Statement

The CRU's mission is to protect the public interest in Water, Energy and Energy Safety.

The CRU is guided by four strategic priorities that sit alongside the core activities we undertake to deliver on the public interest. These are:

- To ensure security of supply
- To drive a low carbon future
- To empower and protect customers
- To enable our people and organisational capacity

Executive Summary

Grid connection policy can influence which generators and storage projects can access markets and when they can secure that access. Consequently, connection policy can have a wide-ranging impact on the electricity system, from determining the level of competition in wholesale markets, facilitating the delivery of renewable energy targets, and to helping ensure that new technologies can connect to provide required system services. All these directly affect consumers in terms of the prices they pay, the quality of service they receive, and the environment they live in.

Under Section 34 of the Electricity Regulation Act 1999, as amended (the 1999 Act), the Commission for Regulation of Utilities (CRU) may give directions to EirGrid, the transmission system operator (TSO), and ESB Networks, the distribution system operator (DSO), collectively the “system operators” (SOs), on the terms and conditions of access to the transmission and distribution systems (the electricity system). Based on the CRU’s policy directions, the SOs issue connection offers to generators and storage projects.

In 2018 the CRU published a decision on Enduring Connection Policy – Stage 1 (ECP-1) ([CRU/18/058](#)¹) with the principal objective of allowing projects which were ‘shovel ready’ to have an opportunity to connect to the network. At the same time, the CRU committed to providing more regular opportunities for connection offer processing (known as batches) in the future.

This was followed in June 2020 with the CRU’s decision on Enduring Connection Policy – Stage 2 (ECP-2) ([CRU/20/060](#)²). In addition to continuing the objectives of ECP-1, ECP-2 prioritised large renewable energy projects and facilitated Government defined community-led renewable energy projects. ECP-2 was open to all generating, storage, and other system service technologies. It encompassed a batch application window which opened for one month each September for three years, from 2020 to 2022 (termed as ECP-2.1, ECP-2.2 and ECP-2.3, respectively). Separately, the SOs published the “[Ruleset for Enduring Connection Policy Stage 2 \(ECP-2\)](#)”³ in August 2020 based on the ECP-2 Decision paper.

The CRU has also been engaging with stakeholders on the next stages of connection policy where significant changes are likely to be required, including a review of timelines to support the implementation of Article 16 of the RED II Directive⁴. There are significant challenges to be

¹ <https://www.cru.ie/publications/27384/>

² <https://www.cru.ie/publications/27381/>

³ https://www.esbnetworks.ie/docs/default-source/publications/ecp-2-ruleset.pdf?sfvrsn=c8c1d0e7_13

⁴ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast)

addressed such as the interaction with the timelines for environmental and planning permits, as well as the processing times for grid connection offers. To date, the permitting timelines have been considerably longer than those outlined in Article 16, and delays have been experienced relative to expected timelines. The CRU will initiate development of this new policy with the consultation to commence in Q2 2023.

This Decision Paper presents policy updates between the closing of the ECP-2.3 batch window in September 2022 and the CRU's development and decision on the next stages of the connection policy (see Section 3); the updates are of a relatively minor nature. In general, the CRU considers it appropriate to continue with the decisions detailed in CRU/20/060, based on the rationale given in that Decision Paper. However, updates to the decisions set out in the ECP-2 Decision Paper are detailed in this section of the paper. Decisions published in CRU/20/060 will continue to apply unless otherwise updated by policy as detailed in this section.

ECP-2.4 will consist of a single batch window opening in October 2023 for two months. The number of Category A offers targeted is reduced from 85 as with each of the ECP-2 batches to 70 for ECP-2.4 in recognition of the expected pipeline of projects and the workload of the SOs in processing offers. Within Category A, the definition of "primarily storage" in the ECP-2 Decision no longer applies for ECP-2.4; storage in this context means that 100% of the MEC is storage. This is intended to facilitate solely storage projects entering the batch. Application fees deposits for Category A and Category B projects with MEC greater than 500kW will be increasing to €7,000 in ECP-2.4. In addition, community-led projects are encouraged to engage with the ESB Networks in relation to planning permission grants, and ESB Networks are required to contact community-led projects after a specified time-period to request information on project progress.

This paper also provides information on the definition of community-led renewable energy projects, longstop date reporting from the SOs, and the implementation of the SEM Committee's recently published Firm Access Methodology in Ireland Decision ([SEM-23-004](https://www.semcommittee.com/publications/sem-23-004-firm-access-methodology-ireland-decision)⁵).

Furthermore, the SOs are developing a proposal to commence a pilot of "renewable hubs" to run in parallel with the opening of the ECP-2.4 batch window. The CRU has been engaging with the SOs on this proposal and intends to publish a Consultation Paper in Q2 2023 in this regard. Further details are provided in this paper.

Table 1 on the following page provides a summary of the ECP-2.4 decisions.

⁵ <https://www.semcommittee.com/publications/sem-23-004-firm-access-methodology-ireland-decision>

Table 1 Summary of ECP-2.4 decisions

ECP-2.4 Decision	Changes from ECP-2 (2020-2022)
<p>ECP-2.4 Timeline</p> <ul style="list-style-type: none"> ECP-2.4 to encompass one batch application window opening in <u>October 2023</u>. The ECP-2.4 batch window will remain open for <u>two months</u>. 	<ul style="list-style-type: none"> ECP-2 encompassed one batch application window every September for three years (2020 to 2022). Each of the previous three batch windows remained open for one month.
<p>ECP-2.4 batch period connection offer target and prioritisation</p> <ul style="list-style-type: none"> <u>Target 100 connection offers in total</u> for the ECP-2.4 batch period. <u>70 for generation, storage and other system services technology projects (MEC>500kW)</u>. As with ECP-2: prioritised by largest renewable energy generation (first 25), then by planning permission grant date. No more than 10 storage and other system service technology projects. As with ECP-2: 15 for non-batch projects and 15 for community-led projects, that cannot be processed on a non-batch basis. <u>Storage in this context means that 100% of the MEC is storage</u>. 	<ul style="list-style-type: none"> ECP-2 targeted 115 connection offers in total for each annual batch period: 85 for generation, storage and other system services technology projects (MEC>500kW). ECP-2 allowed for no more than 10 primarily storage and other system storage technology projects. In this context, primarily storage meant that >50% of MEC is storage.
<p>Community-led project offer processing</p> <ul style="list-style-type: none"> As with ECP-2: associated capacity (with connection method and cost) will be held for two years from connection assessment issuance. <u>Community-led projects are encouraged to notify ESB Networks within one month of receipt of planning decision to provide an update as to the status of the project and to indicate whether they intend to proceed with their connection</u>. <u>ESB Networks will contact applicants every six months following the connection assessment issuance to request an update from the applicant as to the status of the project and the planning permission application</u>. As with ECP-2: Once planning permission is received and application fee balance 	<ul style="list-style-type: none"> The ECP-2 process for community-led projects will remain as detailed in CRU/20/060 except for the introduction of reporting.

paid, the DSO will issue full offer. ⁶	
Firm/Non-firm capacity offer basis <ul style="list-style-type: none"> • <u>The Firm Access Methodology as set out in SEM-23-004 will apply to ECP-2.4 projects.</u> • <u>Regional constraints reports are expected to be completed and published by the TSO by end of Q1 2024.</u> 	<ul style="list-style-type: none"> • CRU/20/060 required the TSO to develop a new methodology to schedule Firm Access Quantities (FAQs) for contracted projects. Offers continued to be issued on a non-firm basis until the new mechanism for scheduling FAQs was in place. • Regional constraints report was expected to be completed and published by the TSO from Q3 to Q4 of the associated batch year.
Application fees <ul style="list-style-type: none"> • Schedule of application fees remains as per ECP-1 (adjusted for inflation). • <u>Application fee deposit for projects with MEC>500kW increased to €7,000.</u> • Application fee deposit for community-led projects remains at €2,000. 	<ul style="list-style-type: none"> • There is no change to the schedule of application fees from ECP-2. • <u>The fee deposit for projects with MEC>500kW was €2,000 in ECP-2.</u> • There is no change in the application fee deposit for community-led projects from ECP-2.
Longstop Date Reporting <ul style="list-style-type: none"> • <u>SOs to provide longstop date reporting updates on the 31st January and the 31st July of each year from the date of the publication of this paper until further notice may be given.</u> 	<ul style="list-style-type: none"> • ECP-2 did not provide any specific date for the semi-annual reporting.
Renewable Hubs <ul style="list-style-type: none"> • <u>In Q2 2023, the CRU intends to consult on the implementation of a pilot for “Renewable Hubs”.</u> 	<ul style="list-style-type: none"> • The SOs are developing a new proposal for a pilot to run alongside the ECP-2.4 batch window.

In the development of this paper, the CRU engaged in a number of discussions with the SOs and industry representatives including Wind Energy Ireland, Energy Storage Ireland and the Irish Solar Energy Association regarding the size of the Category A batch.

The CRU recognises that there are inherent difficulties encountered by the SOs when processing and issuing offers and understands that delays in processing previous ECP-2 batches (compared

⁶ If planning permission takes longer than two years, project re-studied at next opportunity (batch or non-batch) when planning permission is received, with no additional fee.

to the schedule timelines set out in CRU/20/060) have occurred and are continuing to occur. The CRU acknowledges that the addition of projects through ECP-2.4 will have a knock-on impact on the next phase of connection policy and when the processing of projects can start. The CRU also acknowledges the feedback from industry bodies on the importance of allowing projects into batch processing and providing a pathway to connections.

Based on this stakeholder engagement, and the CRU's understanding of the expected numbers of projects in the pipeline which might be expected to apply, the CRU considers that a reduction in the target batch size from 85 to 70 Category A projects helps ensure the balance between facilitating the expected pipeline of projects and the SOs' abilities to process offers.

The CRU would like to thank all the stakeholders who engaged with the CRU in the development of this decision.

Public/ Customer Impact Statement

New generators and storage technologies need to connect to the electricity grid in order to participate in energy markets. The processes for connecting these are technically and commercially complex. Whilst these generally do not impact directly on individual electricity consumers, the following points illustrate how new connections can impact on the quality and cost of outcomes for consumers over time:

Reliability of supply: New connections contribute to the headroom of generation capacity relative to maximum demand.

Wholesale electricity prices: The connection of newer and more efficient generation capacity increases competition and puts downward pressure on wholesale prices, one of the main components of a consumer's bill.

System services' prices: New connections add to the number of potential providers of services which maintain the operational stability of the electricity system. This helps to ensure that the necessary services are available, and that their prices are set competitively.

Network costs: The local costs of connecting to the network are funded by the generators which benefit from them, but the wider reinforcement works that allow full access to the network will be paid for by all consumers through their bills.

Environmental goals: Increasing the proportion of electricity generated from renewable sources reduces the carbon-intensity of the energy sector.

In 2018, the CRU took the first step in revising the existing connection policy, by deciding to allow more regular batches of connection offers to issue to 'shovel ready' projects (i.e. with planning permission) ahead of less mature projects.

Throughout 2019, the CRU developed the proposals for ECP-2 in conjunction with the SOs and industry stakeholders. Following a consultation on the ECP-2 proposed decision and follow-up meetings with industry representative stakeholders, the CRU published the ECP-2 Decision Paper (CRU/20/060) in June 2020. ECP-2 *inter alia* maintained the batch frequency momentum signaled with ECP-1, prioritised large renewable energy projects, and facilitated Government defined community-led renewable energy projects. The ECP-2 framework encompassed one batch application window each September for three years (2020 to 2022).

Following the final batch application in September 2022 (for ECP-2.3), the CRU in this decision has taken the next step in updating the Connection Policy. This decision continues to allow projects with planning permission to get a connection offer. It also continues to prioritise the

connection of large renewable projects whilst giving the opportunity for all types of projects that have gained planning permission to receive a connection offer on an equal basis thereafter, based on date order of planning permission. The decision facilitates community-led projects receiving a connection offer in advance of securing planning permission and updates the definition of storage projects within the ECP process to facilitate the connection of standalone storage projects. This decision also provides for a consultation on the piloting of “renewable hubs” where the network will be upgraded to facilitate more renewable customers connecting through advanced infrastructure build where there is a pipeline of renewable projects either with planning permission or in the planning permission process.

More specifically the benefits of this connection policy decision include continuing to:

1. Prioritise large renewable generation projects to assist the Government’s target of having 80% of electricity by 2030 produced from renewable sources and to contribute towards lowering our carbon emissions.
2. Facilitate connections of ‘shovel ready’ projects as these projects should be the fastest to enter the market and increase competition.
3. Assist community-led renewable energy projects to get a connection offer on a preferred basis and allowing for a lower barrier to entry.

The CRU is satisfied this update to the ECP-2 policy is reasonable based on the information currently available. However, the CRU will keep this under review to ensure it remains fit for purpose and can adjust it accordingly. Any such adjustments would be based on optimisation of the connection policy with respect to the CRU’s stated policy objectives.

Table of Contents

CRU Mission Statement.....	1
Executive Summary	2
Table 1 Summary of ECP-2.4 decisions	4
Glossary of Terms and Abbreviations.....	10
1. Introduction.....	12
1.1 Legal context.....	12
1.2 Background to connection policy	12
1.2.1 ECP-1 Decision and Implementation	13
1.2.2 ECP-2 Decision and Implementation	13
1.3 Purpose of this paper	14
1.4 Related policy documents	15
2. ECP-2.4 decisions.....	16
Table 2 Summary of ECP-2 decisions	17
2.1 ECP-2.4 timeline	19
Table 3 ECP-2.4 batch schedule	19
2.2 ECP-2.4 batch period connection offer target and prioritisation.....	20
2.2.1 Target 100 connection offers in total Decision.....	20
Table 4 Batch offer categories	20
2.2.2 Prioritisation of ECP-2 category A applicants Decision.....	22
2.3 Community-led renewable energy projects.....	24
2.3.1 Reporting to ESB Networks.....	25
2.3.2 Definition of community-led renewable energy projects.....	26
2.4 Implementation of Firm Access Methodology	28
2.5 Application Fees.....	29
2.6 Longstop Date Reporting	30
2.7 Renewable Hubs	30
2.7.1 Consultation on Renewable Hubs	31
3. Next steps	32
Annex 1	33
Annex 2	36
Annex 3	37

Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
1999 Act	Electricity Regulation Act, 1999
2018 batch	Batch processed under ECP-1 rules
ATR	Associated Transmission Reinforcements
Autoproducer	<p>As defined in CER/03/237, a person who has entered into a connection agreement with the TSO or DSO and generates and consumes electricity in a single premises, or on whose behalf another person generates electricity in the single premises, essentially for the first person's own consumption in that single premises.</p> <p>Once an exporting autoproducer's MEC reaches or exceeds twice the MIC, then the exporting autoproducer is deemed to be a generator.</p>
CER	Commission for Energy Regulation (now, Commission for Regulation of Utilities)
COPP	Connection Offer Policy and Process
CRM	Capacity Renumeration Mechanism
CRU	Commission for Regulation of Utilities (formerly, Commission for Energy Regulation)
DECC	Department of the Environment, Climate and Communications
DSO	Distribution System Operator (ESB Networks)
DS3	<p>Delivering a secure, sustainable (electricity) system</p> <p>The DS3 programme aims to ensure the secure and safe operation of the electricity system with increasing amounts of variable non-synchronous generation, such as wind and solar. To achieve this aim, the transmission system operator needs to obtain specific DS3 system services from generators and market participants, i.e. DS3 providers.</p>
ECP	Enduring Connection Policy

ECP-1	First stage of the Enduring Connection Policy; includes the 2018 batch and non-batch processes.
ECP-2	Second stage of the Enduring Connection Policy. ECP-2.1, ECP-2.2 and ECP-2.3 refer to the annual batch openings for 2020, 2021 and 2022 respectively.
Electricity system	Transmission and distribution electricity systems
FAQ	Firm Access Quantity
GPA	Group Processing Approach
GWhrs/yr	Gigawatt hours per year
kW	Kilowatt
MEC	Maximum Export Capacity
MW	Megawatt
Non-GPA	Non-Group Processing Approach
REC	Renewable Energy Community
RES	Renewable Energy Sources
RES-E	Renewable Energy Sources in Electricity
RESS	Renewable Electricity Support Scheme
SEAI	Sustainable Energy Authority Ireland
SEC	Sustainable Energy Community
SEM	Single Electricity Market
SOs	System Operators (i.e. TSO and DSO)
SoS	Security of Supply
SSG	Small-scale Generation
TSO	Transmission System Operator (EirGrid)

1. Introduction

This chapter summarises the relevant context and background for the CRU's decision for the next stage of the Enduring Connection Policy – Stage 2.4 (ECP-2.4).

1.1 Legal context

Under Section 34 of the Electricity Regulation Act 1999, as amended (the 1999 Act), the CRU may give directions to the transmission system operator (TSO) and distribution system operator (DSO), collectively the “system operators” (SOs) on the terms and conditions of access to the distribution and transmission system. Specifically, Section 34 (2) (c) of the 1999 Act provides that the CRU's directions may provide for “the terms and conditions upon which an offer for connection to the transmission or distribution system is made”.

The CRU's functions and duties are set out principally in Section 9 of the 1999 Act. In particular, according to Section 9 (4) (a) of the 1999 Act, the CRU shall carry out its statutory functions in a manner which does not discriminate unfairly between relevant stakeholders, and also have regard, among other things, to the need to:

- protect the interests of final customers and to secure that all their reasonable demands for electricity are satisfied;
- promote the continuity, security and quality of supplies of electricity;
- promote competition; and
- promote efficiency and the use of renewable, sustainable or alternative forms of energy.

The CRU is very mindful of these responsibilities in relation to decisions it makes on connection policy issues. Furthermore, the CRU is cognisant of the requirements of European legislation related to the internal market in energy, including the Third Energy Package (Directive 72/2009/EC, Regulation 714/2009), the Clean Energy Package for all Europeans (including Directives 2019/944, 2018/2001 and Regulation 2019/943), and the EU Network Codes.

1.2 Background to connection policy

The connection policy referred to in this paper covers onshore generation, storage and other system service technology projects, connecting to either the transmission or distribution systems (collectively, the “electricity system”). The ECP process for grid connection applications is one of

the current pathways for generators, storage, and other system services technology projects to connect to the electricity system.

The [Government's Climate Action Plan 2023](#)⁷ includes a separate action for the publication of a system-wide plan for the delivery of offshore wind. Therefore, in ECP-2.4, batch and non-batch processing will be applicable only to onshore projects. The CRU's publications in relation to Offshore Grid Connection can be found on the [CRU's website](#)⁸. Interconnectors are also covered under separate policy ([CRU/18/056](#)⁹).

1.2.1 ECP-1 Decision and Implementation

In March 2018 the CRU reached a final decision on the Enduring Connection Policy – Stage 1 (ECP-1) ([CRU/18/058](#)¹⁰), fundamentally changing the process for generators and storage providers (greater than 6kW/11 kW) applying to connect to the Transmission or Distribution system. This change was needed as it had been ten years since the last gate process for large generators, and the non-gate process for smaller generators and experimental technologies was vastly oversubscribed. This led to over 36 GW of projects waiting to connect or gain offers, many of which may have been speculative in nature and holding up genuine projects that had been waiting to connect for a number of years.

The ECP-1 decision followed an extensive period of engagement with stakeholders including EirGrid, ESB Networks and the generation and storage industry which began in 2015.

The ECP-1 decision introduced, amongst other things, a new system for issuing connection offers for new generation and storage capacity. ECP replaced the previous Group Processing Approach (GPA) system of “gates” with the intention to introduce more frequent batches. The non-GPA process for smaller renewable and low carbon generators was suspended and a new non-batch process was introduced. The system operators' schedule for issuing ECP-1 connection offers concluded at the end of May 2020.

1.2.2 ECP-2 Decision and Implementation

In June 2020 the CRU published its final decision on the Enduring Connection Policy – Stage 2 (ECP-2) ([CRU/20/060](#)¹¹) which took the next step in revising the Connection Policy. This decision

⁷ <https://www.gov.ie/en/publication/7bd8c-climate-action-plan-2023/>

⁸ <https://www.cru.ie/publications/27223/>

⁹ <https://www.cru.ie/publications/25174/>

¹⁰ <https://www.cru.ie/publications/27384/>

¹¹ <https://cruie-live-96ca64acab2247eca8a850a7e54b-5b34f62.divio-media.com/documents/CRU20060-ECP-2-Decision.pdf>

continued to allow projects with planning permission to get a connection offer and encompassed a batch application window which opened for one month each September for three years (2020 to 2022), termed as ECP-2.1, ECP-2.2 and ECP-2.3 respectively. It also prioritises the connection of large renewable projects whilst giving the opportunity for all types of projects that have gained planning permission to receive a connection offer on an equal basis thereafter.

1.3 Purpose of this paper

The purpose of this Decision Paper is to present an update to the ECP-2 connection policy to address the volume of grid connection applications in a way that promotes an optimal use of the existing network considering the system needs, national policy, and the consumer interest. It is intended to provide a policy update between the closing of the ECP-2.3 application window and the CRU's development of the next stages of the connection policy; it is termed ECP-2.4.

In general, ECP-2.4 is policy update to ECP-2, as opposed to major changes to existing connection policy. The ECP-2 Decision Paper reserved the right for the CRU to review the policy and to make changes, where appropriate. Therefore, due to the relatively minor nature of the proposed changes and the timelines for implementation, and following engagement with industry stakeholders and taking into account previous feedback, the CRU considers it appropriate that this decision be implemented without a consultation being conducted. This paper sets out the supporting reasoning for the decisions contained within.

The decision-making process also considered evolving European and national energy policy including the prioritisation and timelines in the Government's Climate Action Plan and the timelines for the permit-granting process for the relevant administrative permits to build, repower and operate plants for the production of energy from renewable sources and assets necessary for their connection to the grid, as detailed in the Renewable Energy Directive ([2018/2001/EU](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG)¹²). The CRU recognises that further changes will be required to meet the requirements of the evolving policy and this will be given further consideration in the development of the next stages of connection policy. Further information is provided in Annex 1.

If the arrangements for ECP-2.4 prove to be ineffective, or inadvertently cause perverse incentives, then the CRU reserves the right to review this policy and take appropriate action as necessary.

¹² https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG

This paper is structured as follows:

Section 1	Summarises the context and background to ECP-2.4
Section 2	Outlines the decision for ECP-2.4
Section 3	Provides the next steps for the ECP-2.4
Annex 1	Provides further information on the CRU's next stages of connection policy
Annex 2	Provides a definition of "Renewable Energy Community"
Annex 3	Provides a comprehensive list of related policy documents

1.4 Related policy documents

This ECP-2.4 Decision should be read in conjunction with the CRU's earlier documentation on connection policy, a comprehensive list of which is provided in Annex 3. Recent key documentation includes:

CRU/21/069	<i>Clarification Note: ECP-2 Community-Led Renewable Energy Project Definition</i>	Information Paper
CRU/20/060	<i>Enduring Connection Policy (ECP-2) Decision</i>	Decision Paper
CRU/19/143	<i>Enduring Connection Policy (ECP-2) Proposed Decision</i>	Proposed Decision paper
CRU/19/144	<i>Future Options for Enduring Connection Policy</i>	Call for Evidence
CRU/18/113	<i>CRU Response to Industry Regarding ECP-1 Impacts on Contracted Projects</i>	Information paper
CRU/18/094	<i>Clarification on the Enduring Connection Policy (ECP-1) Decision (Capacity Release)</i>	Information paper
CRU/18/058	<i>Enduring Connection Policy (ECP-1) Decision</i>	Decision paper
CRU/18/059	<i>Enduring Connection Policy (ECP-1) Decision Annex I: Ruleset</i>	Decision paper
CRU/18/060	<i>Enduring Connection Policy (ECP-1) Decision Annex II: DS3 Prioritisation Ruleset</i>	Decision paper

Further to the above list, the SOs published the Ruleset for Enduring Connection Policy Stage 2 ([ECP-2](#))¹³ in August 2020.

¹³ https://www.esbnetworks.ie/docs/default-source/publications/ecp-2-ruleset.pdf?sfvrsn=c8c1d0e7_13

2. ECP-2.4 decisions

This chapter sets out the decisions for ECP-2.4 and the rationale for the decisions. The CRU has developed these proposals after liaising with the SOs and other stakeholders. Each component of this decision is set out with supporting rationale. That rationale has been informed by stakeholder feedback in relation to the effectiveness of ECP-2 and changes to the wider policy, technology, and energy landscapes since the publication of the ECP-2 Decision Paper.

In general, the CRU considers it appropriate to continue with the decisions detailed in CRU/20/060, based on the rationale given in that Decision Paper. However, updates to the decisions set out in the ECP-2 Decision Paper are detailed in this section of the paper. Decisions published in CRU/20/060 will continue to apply unless otherwise updated by policy as detailed in this section.

The ECP-2.4 decisions outlined are based on the following regulatory policy objectives:

- Provide objective, transparent, and non-discriminatory terms and conditions for connecting new producers in line with the Clean Energy Package for all Europeans.
- Enable projects that best align with overarching government policy direction on climate action and the CRU's strategic priority of delivering sustainable low-carbon solutions with well-regulated markets and networks.
- The timing of the next batches of connection offers and the number of projects in each batch should not hinder the effectiveness of relevant electricity market auctions (e.g. RESS, DS3, T-4 capacity auctions).
- Provide a pathway to connection following ECP-2.3 prior to the CRU's development and decision on the next stages of the connection policy (see Annex 1).

The CRU hereby directs the transmission system operator (TSO) and distribution system operator (DSO), collectively the "system operators" (SOs), to enact the ECP-2.4 decisions detailed in Section 2 of this Decision paper, under Section 34 (2) (c) of the 1999 Act as outlined in Section 1.1 of this Decision paper.

Table 2 on the following page summarises the ECP-2.4 decisions.

Table 2 Summary of ECP-2 decisions

ECP-2.4 Decision	Changes from ECP-2 (2020-2022)
<p>ECP-2.4 Timeline</p> <ul style="list-style-type: none"> ECP-2.4 to encompass one batch application window opening in <u>October 2023</u>. The ECP-2.4 batch window will remain open for <u>two months</u>. 	<ul style="list-style-type: none"> ECP-2 encompassed one batch application window every September for three years (2020 to 2022). Each of the previous three batch windows remained open for one month.
<p>ECP-2.4 batch period connection offer target and prioritisation</p> <ul style="list-style-type: none"> <u>Target 100 connection offers in total</u> for the ECP-2.4 batch period. <u>70 for generation, storage and other system services technology projects (MEC>500kW)</u>. As with ECP-2: prioritised by largest renewable energy generation (first 25), then by planning permission grant date. No more than 10 storage and other system service technology projects. As with ECP-2: 15 for non-batch projects and 15 for community-led projects, that cannot be processed on a non-batch basis. <u>Storage in this context means that 100% of the MEC is storage</u>. 	<ul style="list-style-type: none"> ECP-2 targeted 115 connection offers in total for each annual batch period: 85 for generation, storage and other system services technology projects (MEC>500kW). ECP-2 allowed for no more than 10 primarily storage and other system storage technology projects. In this context, primarily storage meant that >50% of MEC is storage.
<p>Community-led project offer processing</p> <ul style="list-style-type: none"> As with ECP-2: associated capacity (with connection method and cost) will be held for two years from connection assessment issuance. <u>Community-led projects are encouraged to notify ESB Networks within one month of receipt of planning decision to provide an update as to the status of the project and to indicate whether they intend to proceed with their connection</u>. <u>ESB Networks will contact applicants every six months following the connection assessment issuance to request an update from the applicant as to the status of the project and the planning permission application</u>. As with ECP-2: Once planning permission is received and application fee balance 	<ul style="list-style-type: none"> The ECP-2 process for community-led projects will remain as detailed in CRU/20/060 except for the introduction of reporting.

paid, the DSO will issue full offer. ¹⁴	
Firm/Non-firm capacity offer basis <ul style="list-style-type: none"> • <u>The Firm Access Methodology as set out in SEM-23-004 will apply to ECP-2.4 projects.</u> • <u>Regional constraints reports are expected to be completed and published by the TSO by end of Q1 2024.</u> 	<ul style="list-style-type: none"> • CRU/20/060 required the TSO to develop a new methodology to schedule Firm Access Quantities (FAQs) for contracted projects. Offers continued to be issued on a non-firm basis until the new mechanism for scheduling FAQs in place. • Regional constraints report was expected to be completed and published by the TSO from Q3 to Q4 of the associated batch year.
Application fees <ul style="list-style-type: none"> • Schedule of application fees remains as per ECP-1 (adjusted for inflation). • <u>Application fee deposit for projects with MEC>500kW increased to €7,000.</u> • Application fee deposit for community-led projects remains at €2,000. 	<ul style="list-style-type: none"> • There is no change to the schedule of application fees from ECP-2. • <u>The fee deposit for projects with MEC>500kW was €2,000 in ECP-2.</u> • There is no change in the application fee deposit for community-led projects from ECP-2.
Longstop Date Reporting <ul style="list-style-type: none"> • <u>SOs to provide longstop date reporting updates on the 31st January and the 31st July of each year from the date of the publication of this paper until further notice may be given.</u> 	<ul style="list-style-type: none"> • ECP-2 did not provide any specific date for the semi-annual reporting.
Renewable Hubs <ul style="list-style-type: none"> • <u>In Q2 2023, the CRU intends to consult on the implementation of a pilot for “Renewable Hubs”.</u> 	<ul style="list-style-type: none"> • The SOs are developing a new proposal for a pilot to run alongside the ECP-2.4 batch window.

The SOs will publish a clarification note to the ECP-2 Ruleset that transposes the ECP-2.4 decisions before the batch application window for ECP-2.4 opens. In the event of an inconsistency or conflict between the ECP-2 Ruleset or the clarification note and the CRU's Decisions, the inconsistency or conflict will be resolved by giving precedence to the ECP-2 and ECP-2.4 Decisions.

¹⁴ If planning permission takes longer than two years, project re-studied at next opportunity when planning permission is received, with no additional fee (subject to future policy).

2.1 ECP-2.4 timeline

Decision

ECP-2.4 will be a single batch window opening on 1st October 2023 and remaining open for two months. After the closing of the application window, the batch is then formed from eligible projects using the guidelines for prioritisation outlined in this decision. As with ECP-2, batch formation is given three months to enable a Phase 1 early engagement process (see CRU/20/060). Once the batch is formed the SOs will begin issuing offers in that batch. Table 3 clarifies the schedule for the ECP-2.4 batch.

Table 3 ECP-2.4 batch schedule

ECP-2 Batch	Schedule
ECP-2.4	Application: 1 st October - 30 th November 2023
	Batch formation: December 2023 - February 2024
	Batch processing: March 2024 - February 2025

The SOs will provide detailed guidance on the application process. The SOs will develop an offer issuance schedule and confirm the offer issue timetable to all batch projects once batch formation is complete¹⁵.

Supporting rationale

This decision provides a policy update between the closing of the ECP-2.3 batch window in September 2022 and the CRU's development and decision on the next stages of the connection policy (see Section 3). This decision is intended to meet the policy objectives set out in the introduction to this paper in the interim period. The single batch window provides further opportunity for projects to apply for grid connection following the closure of the ECP-2.3 batch window.

Following discussions with industry representatives and the SOs, the CRU has decided that the ECP-2.4 batch window will open in October 2023 and will remain open for two months. The timelines for batch formation and batch processing processes remain the same as for the previous ECP-2 batches.

¹⁵ The principles for offer issuance are set out in the Ruleset for Enduring Connection Policy Stage 2 (ECP-2) document.

The CRU understands that the SOs are continuing to process offers from ECP-2.2 and ECP-2.3 batches. The CRU intends that the batch opening in October instead of September and remaining open for two months instead of one (as with the previous ECP-2 batches), will provide the SOs with additional time to continue to process outstanding offers prior to beginning the ECP-2.4 batch formation process.

2.2 ECP-2.4 batch period connection offer target and prioritisation

ECP-2.4 will target 100 connection offers in total. This will include:

- 70 offers for projects with MEC greater than 500kW, prioritised by largest renewable energy generation (first 25), then by planning permission grant date; no more than 10 storage and other system service technology projects within these. Storage in this context means that 100% of the MEC is storage.
- 15 batch offers each for non-batch projects and community-led projects that were not processed on a non-batch basis in advance of ECP-2.4 opening, prioritised by application received complete date.

2.2.1 Target 100 connection offers in total Decision

The SOs will target the following number of offers from each category of eligible projects in ECP-2.4:

Table 4 Batch offer categories¹⁶

Category	Definition	Offer target	Prioritisation if category oversubscribed
A	Generation, storage and other system services technology projects (MEC>500kW) ¹⁷	70	First 25 on largest renewable energy generators; remainder on earliest planning permission grant date; no more than 10 storage and other system service technology projects ¹⁸

¹⁶ More detail is provided in the ECP-2 ruleset.

¹⁷ Examples of other system service technology projects are flywheels and synchronous condensers. Therefore, MEC >500kW only where applicable.

¹⁸ Storage in this context means 100% of the MEC is storage. This is a change from the ECP-2 Decision.

B	Non-batch projects ¹⁹ not processed in advance of ECP-2.4 opening	15	Earliest application received complete date
C	Community-led projects not processed in advance of ECP-2.4 opening	15	Earliest application received complete date

As with ECP-2, if Category B is undersubscribed its unused allocation will be reallocated for use by additional projects from Category C (and vice versa). There will be no reallocation of projects from Category A to Categories B or C (and vice versa).

Supporting rationale

The target of 100 offers is a reduction from the 115 offers for each batch period in ECP-2. This relates to a reduction from 85 to 70 offers for Category A; the target of 15 offers each for Category B and Category C remains unchanged from the ECP-2 decision.

The CRU is cognisant of evolving European and national energy policy and associated energy targets and recognises both the importance of the issuance of connection offers and the ambition of Government, industry, and the SOs in achieving such targets. However, the CRU also recognises the inherent difficulties encountered by the SOs when processing and issuing offers and understands that delays in processing previous ECP-2 batches (compared to the schedule timelines set out in CRU/20/060) have occurred and are continuing to occur.

Therefore, the CRU considers that the amount of 100 offers for the batch, with 70 for Category A, is appropriate given:

- the CRU's understanding from industry of the current pipeline of projects
- ambition to achieve energy targets
- the outstanding and ongoing offer processing by the SOs from previous batches
- the early engagement process (detailed in CRU/20/060)
- the CRU's intention to introduce new policy following ECP-2.4 (see Annex 1) and the aspiration to reduce overlap of batch processing by the SOs

¹⁹ 11kW<MEC ≤500kW, autoproducers, DS3 system services trials (up to 500kW). ESB Networks are currently running pilots for Minigen (11kW to 50kW MEC) and Small-scale Generation (SSG) (50kW to 200kW MEC).

- the SOs' other connection offer work to be progressed in parallel such as existing offer modifications, demand connections, micro-generation, interconnection, regulatory directions (e.g. relating to the Capacity Market) and offshore.

As detailed in CRU/20/060, for ECP-2 the CRU decided to assign 15 non-batch sub-category projects to be processed in each batch period (and more if there are fewer than 15 community-led projects for that period). The decision on the number and whether a project can be processed on a non-batch basis was to be made by the SOs in recognition of the workload of the SOs related to each batch and the amount of other ongoing connection offer work outside of ECP. This approach was considered to allow flexibility for the SOs to process eligible projects on a non-batch basis where possible.

In relation to community-led projects, for ECP-2 the CRU decided that 15 connection offers per batch period to be sufficient following discussion with DECC and other stakeholders.

The CRU considers that the target of 15 offers each for Category B and Category C to continue to be reasonable targets in the interim period following the closing of the ECP-2.3 batch window and future connection policy being developed.

2.2.2 Prioritisation of ECP-2 category A applicants Decision

In the event that ECP-2.4 batch Category A is oversubscribed, the same prioritisation rules will apply as detailed in the ECP-2 Decision, with the exception of a change in relation to the definition of storage projects as given in CRU/20/060.

In the ECP-2 Decision, no more than ten primarily storage and other system service technology projects were eligible for inclusion in a batch; primarily storage in this context meant that over 50% of the MEC is storage. In ECP-2.4, the maximum of ten storage and other system service technology projects remains, however storage projects in this context are now considered those with 100% of MEC being storage.

Therefore:

- The first 25 offers in Category A will be prioritised for renewable energy generation projects on the basis of project size, with the largest number of GWhrs/yr generated by a project being granted the highest priority.
- The remaining offers in Category A will be open to all generation, storage and other system service technology projects (MEC>500kW) and will be prioritised according to the planning permission grant date, with the earliest dated being granted highest priority.
- No more than 10 storage and other system service technology projects will be accepted per batch in Category A. The definition of "primarily storage" in the ECP-2 Decision no

longer applies for ECP-2.4; storage in this context means that 100% of the MEC is storage.

Further details are outlined in CRU/20/060 and are provided in the ECP-2 Ruleset.

Supporting rationale

Prioritising by size of renewable energy generation project

In the ECP-2 Decision, the CRU decided to prioritise the first 25 offers for renewable energy generation projects ranked by largest electricity generation capability first, measured in GWhrs/yr²⁰ in order to help achieve Climate Action Plan 2019 targets to increase electricity generated from renewable sources (RES-E) to 70% of the total electricity consumed by 2030; this target has now been increased to 80% in the Climate Action Plan 2023.

The CRU continues to consider that in order to assist Ireland in meeting its RES-E goals that a portion of the ECP-2.4 batch should continue to be devoted to renewable energy projects with planning permission that are technically capable of generating the most renewable energy within the timeframe.

To this end, the CRU has decided that prioritisation of the largest 25 renewable projects will be continued for ECP-2.4.

Prioritising by planning permission grant date

As detailed in CRU/20/060, there was broad agreement amongst respondents to the consultation on ECP-2, that using the earliest planning permission grant date is a fairer and more appropriate method of prioritisation than prioritisation based on planning permission expiry date, as was used for ECP-1.

The CRU considers it appropriate to continue using this method for ECP-2.4.

Change from “primarily storage” to “100% storage” in the context of ECP

The ECP-2 Decision Paper detailed that the rationale for having not more than ten offers for primarily storage and other system service technology projects in each batch was that it was considered likely that there would be a high number of such projects in ECP-2.2 and ECP-2.3 relative to the number of generation projects. This would be due to a large number of storage projects having early planning permission received dates (compared to other types of projects). It was considered that this would effectively provide such projects with a prioritisation that was not

²⁰ Curtailment and constraint are not included as part of this calculation.

considered necessary at the time. Furthermore, “primarily storage” projects in the context of ECP-2 were defined as those projects whereby over 50% of the MEC is storage.

For ECP-2.1 and ECP-2.2, this has resulted in standalone storage projects being unable to enter a batch, as the limit of ten has been reached due to hybrid projects meeting the “primarily storage” definition. For ECP-2.4, the CRU has decided that “storage” in this context now means projects with 100% of MEC being storage.

Whilst the CRU is not removing the limit of no more than ten storage and other system service technology providers for the batch for this update, the CRU intends that a change to the definition of storage will facilitate standalone storage projects entering the batch. Hybrid projects are still able to apply and be processed in ECP-2.4 based on capacity or planning grant date.

2.3 Community-led renewable energy projects

Decision

In general, the ECP-2 process for community-led projects will remain as detailed in CRU/20/060 with the exception of the following:

- Community-led projects are encouraged to notify ESB Networks within one month of receipt of planning decision to provide an update as to the status of the project and to indicate whether they intend to proceed with their connection.
- ESB Networks will contact applicants every six months following the connection assessment issuance to request an update from the applicant as to the status of the project and the planning permission application.

As detailed in CRU/20/060, during Stage 1 of the Connection Assessment, ESB Networks will decide if the connection assessment can be processed on a non-batch basis. If a project cannot be processed on a non-batch basis, processing of any such projects will be considered in any future policy, if required.

In addition, as detailed in the CRU’s Clarification Note ([CRU21069](https://www.cru.ie/publications/27382/)²¹), a revised definition of a community-led renewable energy project came into effect following the publication of the clarification in July 2021. This definition is detailed in Section 2.3.2 of this paper.

²¹ <https://www.cru.ie/publications/27382/>

2.3.1 Reporting to ESB Networks

As detailed in CRU/20/060, community-led renewable energy projects will not require planning permission to have their application accepted by ESB Networks. During the first stage of the application and offer processing, following payment of the application fee deposit and application acceptance, ESB Networks will conduct a detailed study and confirm the connection method and connection cost. This will be issued as a “connection assessment”. The associated capacity (with connection method and cost) will be held for two years from connection assessment issuance.

Where a community-led project notifies ESB Networks of a successful planning permission grant within two years of the connection assessment issuance, and pays the balance of the application fee, ESB Networks will proceed to issue the full connection (irrespective of the ongoing batch as the capacity has been held in the connection assessment). Where planning permission is not confirmed within two years but received thereafter, community-led projects will be re-studied at no additional cost at the next available opportunity (subject to future policy). The project will then have the opportunity to pay the balance of the application fee and receive the full offer or exit the process at this stage (subject to future policy).

The CRU has decided that the two-year holding period is an appropriate amount of time to allow projects to receive planning permission and for community-led projects to ensure that the necessary funds are acquired for the project to pay the balance of the application fee.

The CRU encourages the reporting by projects to ESB Networks within one month of receipt of planning decision to provide an update as to the status of the project and to indicate whether they intend to proceed with their connection. In addition, ESB Networks will contact applicants every six months following the connection assessment issuance to request an update from the applicant as to the status of the project and the planning permission application.

Projects may still avail of the two-year period to advance the application if they wish, however projects are encouraged to notify ESB Networks following receipt of planning permission; it is not required that projects wait the full two-years to notify.

Community projects are also encouraged to engage with the Sustainable Energy Authority of Ireland ([SEAI](https://www.seai.ie/))²² who are able to provide various support and guidance to eligible community-led projects.

²² <https://www.seai.ie/>

Supporting rationale

The importance of community-led renewable energy projects has been described in [DECC's Design for the RESS](#)²³ and in the [Government's Climate Action Plan 2023](#)²⁴ and the requirements to promote and facilitate their development is discussed in CRU/20/060.

As detailed in the ECP-2 Decision, the CRU considers that community-led projects should not have to enter into a potentially costly and lengthy planning process without knowing grid connection method and costs for the proposed project. In the approach outlined in CRU/20/060 and continuing in ECP-2.4, the community-led project will know these from the outset, having paid only the application fee deposit, for a period of two years to allow planning permission to be received.

However, the CRU recognises that a two-year holding period may result in projects receiving planning permission earlier and not notifying ESB Networks until closer to the two-year date. This may delay offer issuance. Furthermore, with the onus on projects to notify ESB Networks when planning permission is received, ESB Networks does not necessarily have knowledge of how an individual project is progressing in this regard.

Potentially, a shorter notification period could speed up the offer processing process by confirming or releasing capacity on the grid. However, the CRU considers that the reduction of the two-year holding period would not help promote and facilitate the development of community-led projects where this time might be required to secure project funding. Therefore, the CRU encourages community-led projects to provide updates to ESB Networks at the earliest opportunity, and in particular within one month following receipt of planning permission. In addition, ESB Networks will contact applicants every six months following the connection assessment issuance to request an update from the applicant as to the status of the project and the planning permission application.

The intention of this reporting is to allow ESB Networks access to information about project progress to assist with the offer process, without reducing the timelines required to advance to the next stage of processing.

2.3.2 Definition of community-led renewable energy projects

As detailed in the CRU's Clarification Note (CRU21069), a revised definition of a community-led renewable energy project came into effect following the publication of the clarification in July

²³ <https://www.gov.ie/en/publication/36d8d2-renewable-electricity-support-scheme/>

²⁴ <https://www.gov.ie/en/publication/7bd8c-climate-action-plan-2023/>

2021. This definition replaced the definition published in the ECP-2 Decision Paper (CRU/20/060) which was developed to align with the definition contained in the Renewable Electricity Support Scheme 1 (RESS-1) Terms and Conditions. The revised definition aligns with the RESS-2 Community-Led Project ownership requirements of 100% (as outlined in the RESS-2 Terms & Conditions).

Therefore, for the purpose of ECP-2.4 connection offers, community-led renewable energy projects will be defined as:

- Projects with MEC greater than or equal to 0.5 MW and less than or equal to 5 MW.
- Projects utilising one or more of the following renewable energy generation technologies (and not in combination with non-renewable generation technologies); wind turbines (wind), solar photovoltaic panels (solar), hydraulic turbines (hydro) excluding pumped storage, waste to energy projects, biomass projects and biogas projects.
- Projects meeting the following community-led definition requirements:
 - (a) at all relevant times, be 100% owned by a Renewable Energy Community²⁵ (the “Relevant REC”) either by way of (i) a direct ownership of the ECP project’s assets, or (ii) a direct ownership of the shares in the generator; and
 - (b) at all relevant times, 100% of all expected profits, dividends and surpluses derived from project are returned to the Relevant REC.

²⁵ See Annex 2 for definition of a Renewable Energy Community

2.4 Implementation of Firm Access Methodology

Decision

- The Firm Access Methodology as set out in [SEM-23-004](#)²⁶ will apply to ECP-2.4 projects.
- Regional constraints reports are expected to be completed and published by the TSO by end of Q1 2024.

Firm/Non-Firm policy development

Pre-ECP, the process for connecting generators to the Irish transmission and distribution network involved the calculation of the Firm Access Quantity (FAQ) for each generator and the allocation of Associated Transmission Reinforcements (ATR) which would provide the FAQ. The ECP-2 Decision directed the TSO to develop new methodology to schedule FAQs for contracted projects based on network development plans. Following that decision EirGrid commenced development of a new firm access methodology for Ireland.

In December 2021, EirGrid published the Firm Access Methodology Review paper, this paper set out their proposed core concepts and approach taken in the development of a new Firm Access methodology in Ireland. In June 2022, following engagement with industry and the RAs, the TSO (EirGrid) submitted an updated Firm Access Methodology Review paper.

In light of the impact that firm access policy may have on the SEM, the CRU engaged with SEM Committee regarding EirGrid's proposed methodology. Following consideration, the SEM Committee decided that Firm Access policy on the island is a SEM matter and therefore should be consulted upon on an all-island basis. In September 2022, the SEM Committee published a consultation paper on determining a new Firm Access methodology in Ireland. This was published alongside EirGrid's updated Firm Access Methodology Review paper. This consultation remained open for 6 weeks, closing in early November 2022.

In January 2023, the SEM Committee Firm Access Methodology in Ireland decision (SEM-23-004) was published. The methodology set out in SEM-23-004 will apply to projects processed in the ECP-2.4 batch.

Constraint reports

Due to the delayed opening of the batch window, the associated constraint reports are expected to be completed and published by the TSO by end of Q1 2024.

²⁶ <https://www.semcommittee.com/publications/sem-23-004-firm-access-methodology-ireland-decision>

2.5 Application Fees

Decision

New applicants under ECP-2.4 must pay application fees as set out by the SOs. As detailed in the ECP-2 Decision Paper, these fees will be the same as those applicable for ECP-1 (adjusted for inflation).

Non-refundable application fee deposits (for projects required to pay them) will be increased from €2,000 in ECP-2 to €7,000 in ECP-2.4 for Category A and Category B projects with MEC greater than 500kW. Applicants that have a valid unprocessed application remaining on file will not have to pay an additional application fee deposit if they re-apply for ECP-2.4.

The application fee deposit for community-led projects (Category C) will remain at €2,000 for ECP-2.4.

The full application fee will be required from new applicants with MEC less than or equal to 500kW rather than an application fee deposit (for projects required to pay them).

Projects should be aware that if a project applies under Category C as a community-led project (thus paying the lower application fee deposit) but is later identified as not meeting the definition of a community-led project (see Section 2.3.2 and Annex 2), the application will be cancelled by ESB Networks and the deposit paid will not be refunded.

Supporting rationale

The application fee schedule was decided on in ECP-1 and has been adjusted annually for inflation. The fees set were deemed sufficient to cover the SOs' costs of processing applications and providing successful applicants with offers, and this remains the case.

Under ECP-1, the initial application fee deposit for new application with MEC greater than 500kW was €7,000. The ECP-2 Decision Paper states that the CRU agreed that this application fee deposit was disproportionate to the SOs costs for processing the applications. Therefore, it was reduced to €2,000 for ECP-2.

However, based on feedback from industry representatives and the SOs, the CRU has re-considered the level of the fee and has decided that the current ECP-2 application fee deposit of €2,000 is too low for the level of commercial checks, technical checks, Phase 1 customer engagement, and nodal assignment carried out prior to the customer being invoiced for the balance of the generator application fee.

Furthermore, feedback received from industry representatives and the SOs has suggested that a €2,000 application deposit fee might encourage applications from projects which are not sufficiently advanced and have less chance of progressing through the process. The CRU considers that a €7,000 fee is an appropriate amount to facilitate applications from projects which are more likely to be progressed.

The application fee deposit for community-led projects will remain at €2,000 as the CRU considers that an increase would add an additional financial burden to such projects which the CRU aims to promote and facilitate.

2.6 Longstop Date Reporting

The ECP-2 Decision Paper required that the SOs provide a semi-annual update on the status of all contracted projects with respect to their longstop dates and extensions both sought and received. The CRU recognises that the SOs are meeting this requirement.

However, it is now required that the SOs provide these updates on the 31st January and the 31st July of each year from the date of the publication of this paper until further notice. This is to ensure that the updates are provided by the SOs on the same dates each year, to better align the reporting.

In addition, the CRU clarifies that the updates should include the status of all contracted projects, not only ECP projects.

2.7 Renewable Hubs

ESB Networks and EirGrid are developing a proposal to commence a pilot of "renewable hubs" to run in parallel with the opening of the ECP-2.4 batch window. The proposal will be developed in the context of ESB Network's 'Networks for Net Zero Strategy' and EirGrid's 'Shaping Our Electricity Future' where the network will be upgraded to facilitate more renewable customers connecting through advanced infrastructure build where there is a pipeline of renewable projects either with planning permission or in the planning permission process.

The SOs consider that the development of renewable hubs would facilitate more accelerated connection of renewable connections and could be achieved through close collaboration with the various key stakeholders. Through the sharing of network information and engagement with industry, areas suitable for renewable hubs, both in terms of new stations and expansion of existing stations, can be identified, developed and advance built.

2.7.1 Consultation on Renewable Hubs

The CRU has been engaging with both ESB Networks and EirGrid on the renewable hub proposal. Subject to the SOs providing sufficient information, the CRU intends to publish a Consultation Paper in Q2 2023 in this regard. The consultation paper will contain further details on the principles and intended working of the pilot and how it relates to ECP-2.4.

It is also expected that the SOs will provide additional information to the CRU in June 2023 which will include further detail as to the working of the pilot, and information such as the number of projects consider for the pilot, the potential locations for a hub or hubs, and an associated charging approach. The lack of sufficient and timely information in this regard could result in delays to any potential pilot scheme, and may result in ECP-2.4 projects being unable to take part.

Based on discussions with the SOs, the CRU's understanding is that the delivery of renewable hubs has the potential to:

- Create additional anticipatory capacity at renewable hubs to facilitate future connections.
- Give renewable project developers more certainty in relation to good locations for available capacity on the network.
- Give renewable projects more certainty of their grid connection charges prior to making a grid connection application and bidding into RESS auctions.

Following the consultation period and subject to the CRU's review of additional information submitted by both ESB Networks and EirGrid, the results of the consultation, and any other conditions that the CRU considers appropriate, the CRU intends to publish a decision in advance of the ECP-2.4 batch window opening. This intention of this is to enable the commencement of the pilot with suitable projects who agree to take part in parallel with the opening of the ECP-2.4 batch window.

3. Next steps

The upcoming work to implement this decision is as follows:

- The SOs will publish a clarification note to the ECP-2 Ruleset that transposes the ECP-2.4 decisions before the batch application window for ECP-2.4 opens.
- The CRU intends to publish a Consultation Paper on the Renewable Hubs Pilot in Q2 2023. The CRU will commence engagement with relevant stakeholders in April 2023 to inform the consultation. The CRU expects that the SOs will provide further detailed information on the pilot in June 2023 to support the decision-making process.
- The ECP-2.4 batch application window will open on 1st October 2023 as outlined in section 2.1. The SOs will provide detailed guidance on the application process. The batch is then formed from eligible projects after the closing of the application window at the end of November 2023 and using the guidelines for prioritisation outlined in this decision.
- Batch formation takes place over the following three months to enable the Phase 1 early engagement process described in CRU/20/060. Once the batch is formed the SOs will target issuance of all batch offers by the end of February 2025.
- The SOs will develop an offer issuance schedule and confirm offer issuance timetable to all batch projects once batch formation is complete.

In parallel to the next steps for ECP-2.4, the CRU will continue engaging with stakeholders on the next stages of connection policy which may require more significant changes as outlined in Annex 1. The CRU will initiate development of this new policy with the consultation to commence in Q2 2023.

Annex 1

Next Stages of Connection Policy

Action EL/23/6 of the Climate Action Plan 2023 sets out that the CRU, EirGrid and ESBN are to *“Ensure electricity generation grid connection policies and regular rounds of connection offers which facilitate timely connecting of renewables, provides a locational signal and supports flexible technologies”*, with an associated timeline of Q4 2023. While the ECP-2.4 Decision ensures continued rounds of connection offers as a transitional measure, the CRU has also been engaging with stakeholders on the next stages of connection policy which is likely to require significant change to the ECP-2 policy. The CRU intends to consult on these changes throughout 2023 in line with Action EL/23/6/B for “connection policies to be reviewed and published” by Q4 2023. The objectives of this new policy are set out below.

To provide certainty to project developers in relation to pathways to connection to the electricity system.

ECP-2 was introduced for an initial period of 3 years. ECP-2.4 extends this by another year to enable a transition while the new connection policy is being developed. The new policy will seek to deliver certainty for future project development.

Support the delivery of Ireland’s renewable energy targets through the provision of a clear pathway for connection of renewable energy projects.

The Climate Action Plan 2023 sets out a target of renewable electricity to up to 80% by 2030 and a target of 9 GW from onshore wind, 8 GW from solar, and at least 5 GW of offshore wind energy by 2030. Ireland’s Sectoral Emissions Ceilings have now also been set, including the Sectoral Emission Ceiling of 60 MtCO₂eq total for electricity by 2030. The next stages of connection policy should enable the delivery of projects to support these targets.

Ensure implementation of RED II Article 16 to align the permitting timelines with the requirements specified in the Directive.

Article 16 of the RED II Directive²⁷ includes the following requirements for the permit granting process (including planning and grid related permits):

- *“the permit-granting process ... shall not exceed two years for power plants, including all relevant procedures of competent authorities.”*

²⁷ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast)

- *“the permit-granting process shall not exceed one year for installations with an electrical capacity of less than 150 kW.”*
- *“Member States shall facilitate the repowering of existing renewable energy plants by ensuring a simplified and swift permit-granting process. The length of that process shall not exceed one year.”*

The current permit granting processes in Ireland do not adhere to these timelines and a new policy is required to meet the requirements of this Directive. Some areas that will require detailed consultation and review of processes include:

Frequency of processing of applications – The current process allows for annual processing of applications. Following a batch opening additional time is required for the processing of applications before an offer can be issued. The overall timelines can be in excess of two years for some applications. To fulfil the requirements of the Directive the new policy will need to allow for more frequent processing of applications. Consultation will be required to ascertain how this can be achieved while maintaining some of the efficiencies associated with the batch processing approach.

Alignment with planning – The current process involves a sequential approach whereby planning permission is required before a grid connection application can be submitted (for non-community owned projects). Closer alignment between the planning and grid permitting processes may also help to expedite the overall permitting process.

Projects below 200kW - Separate processes are being developed and piloted for the connection of projects below 200kW with ESB Networks currently conducting pilot projects for Small-Scale Generation (SSG) and Minigen categories. The policies for these connections will be developed in parallel to the next stages of policy for larger projects.

Repowering of projects – The development of connection policy needs to take account of projects which may need to be repowered in the coming years. The RED II Directive provides for a streamlined process for repowering to support delivery of our renewable electricity targets and continued use of existing infrastructures.

Promote efficient and optimal use of existing grid infrastructure and development of future infrastructure to deliver value to the consumer.

Ireland’s renewable electricity targets will be very challenging to achieve and will require efficient and optimal use of the available infrastructure. New initiatives, such as the proposal for Renewable Hubs, may help deliver infrastructure in locations where renewable energy projects

can be connected in a way that improves costs and speed of connection. Other opportunities to optimise infrastructure use and build out will also be sought.

Promote the continuity, security and quality of supplies of electricity

The next stages of connection policy will need to ensure continued security and quality of electricity supply and be integrated with other policies including those relating to Capacity Remuneration Mechanisms (CRM) and system services (DS3).

The CRU will initiate development of the next stages of the connection policy with the consultation to commence in Q2 2023.

Annex 2

Definition of Renewable Energy Community

“Renewable Energy Community” (REC) means a legal entity:

- (a) which, in accordance with applicable law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located (in the case of SMEs or local authorities) or resident (in the case of natural persons) in the proximity of the ECP project that is owned and developed (or proposed to be owned and developed) by that legal entity;
- (b) the shareholders or members of which are natural persons, SMEs, local authorities (including municipalities), not-for-profit organisations or local community organisations;
- (c) for any shareholder or member (with the exception of “Sustainable Energy Communities” as registered with SEAI), that shareholder or member’s participation does not constitute their primary commercial or professional activity;
- (d) the primary purpose of which is to provide environmental, economic, societal or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits;
- (e) in respect of which, each shareholder or member is entitled to one vote, regardless of shareholding or membership interest; and
- (f) which is, or which has at least one shareholder or member that is, registered as a “Sustainable Energy Community” with SEAI,

“Sustainable Energy Community” means a “Sustainable Energy Community” which is registered as such with the SEAI.

The project must meet the requirements for Community-Led Projects and each Applicant will be required to provide a director’s declaration (“Declaration of Community-Led Project”) to the effect that it will meet the requirements of a Community-Led Project and submit this declaration form along with its ECP-2 application.

Annex 3

Related policy documents.

This ECP-2 Decision should be read in conjunction with the CRU's earlier documentation on connection policy, a comprehensive list for which is provided here.

CRU21069	<i>Clarification Note: ECP-2 Community-Led Renewable Energy Project Definition</i>	Information Paper
CRU/20/060	<i>Enduring Connection Policy (ECP-2) Decision</i>	Decision Paper
CRU/19/143	<i>Enduring Connection Policy (ECP-2) Proposed Decision</i>	Proposed Decision paper
CRU/19/144	<i>Future Options for Enduring Connection Policy</i>	Call for Evidence
CRU/18/113	<i>CRU Response to Industry Regarding ECP-1 Impacts on Contracted Projects</i>	Information paper
CRU/18/094	<i>Clarification on the Enduring Connection Policy (ECP-1) Decision (Capacity Release)</i>	Information paper
CRU/18/058	<i>Enduring Connection Policy (ECP-1) Decision</i>	Decision paper
CRU/18/059	<i>Enduring Connection Policy (ECP-1) Decision Annex I: Ruleset</i>	Decision paper
CRU/18/060	<i>Enduring Connection Policy (ECP-1) Decision Annex II: DS3 Prioritisation Ruleset</i>	Decision paper
CRU/17/309	<i>Enduring Connection Policy (ECP-1) Proposed Decision</i>	Consultation paper
CRU/17/310	<i>Enduring Connection Policy (ECP-1) Proposed Ruleset (Annex I to CRU/17/309)</i>	Consultation paper
CRU/17/311	<i>DS3 Proposed Prioritisation Ruleset (Annex II to CRU/17/309)</i>	Consultation paper
CER/17/090	<i>Connection Policy Transitional Arrangements: Partial Capacity Release</i>	Decision paper
CER/17/018	<i>Connection Policy Transitional Arrangements Information Note</i>	Information paper
CER/16/284	<i>Connection Policy Transitional Arrangements</i>	Decision paper

CER/16/247	<i>Connection Offer Policy and Process (COPP) Clarifications</i>	Information paper
CER/15/284	<i>Review of Connection and Grid Access Policy: Initial Thinking & Proposed Transitional Arrangements</i>	Consultation paper
CER/11/093	<i>Connection Offer Policy and Process (COPP)</i>	Decision paper
CER/11/093(y)	<i>Connection Offer Policy and Process Paper (Appendix A to CER/11/093)</i>	Appendix
CER/10/211	<i>Decision on Relocation of Generation Capacity</i>	Decision paper
CER/09/191	<i>Direction on Conventional Offer Issuance Criteria and Matters Related to Gate 3</i>	Decision paper
CER/09/099	<i>Treatment of Small, Renewable and Low Carbon Generators outside the Group Processing Approach</i>	Decision paper
CER/09/138	<i>Decision on Electricity Network Connection Policy</i>	Decision paper
CER/08/260	<i>Criteria for Gate 3 Renewable Generator Offers & Related Matters</i>	Decision paper